

TARIFF ACTION MEMORANDUM

File No.: TL170-301

Date: February 18, 2022

Date Filed: January 26, 2022

Statutory Timeline: February 25, 2022

Name of Utility/Pipeline: ConocoPhillips Transportation Alaska, Inc. (ConocoPhillips) - CPCN No. 301

Tariff Recommendation:

Staff recommends the Commission approve Tariff Sheet No.10, which includes the adoption by reference of ConocoPhillips' current FERC Tariff No. 21.20.0, filed January 26, 2022, as shown in Attachment CNR-1. The effective date of the tariff sheet should be February 1, 2022.

Reason(s) for the above-indicated recommendation: See attached memorandum.

Signed:¹ Cameron N. Rollins Title: Utility Engineering Analyst
Cameron Rollins

Commission decision regarding this recommendation:

	Date (if different than <u>February 18, 2022</u>)	I <u>CONCUR</u>	I <u>DO NOT CONCUR</u>	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<u>RMP</u>		
Kurber	<u>2/22/22</u>	<u>KKT</u>		
Scott		<u>AGS</u> <small>AGS</small>		
Sullivan		<u>DS</u> <small>DS</small>		
Wilson	<u>2/22/22</u>	<u>JWV</u> <small>JWV</small>		

If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, the dissent will simply be noted at the close of the By Direction letter or order.

¹ This document was signed on February 18, 2022.

STATE OF ALASKA
The Regulatory Commission of Alaska
701 West 8th Ave., Suite 300
Anchorage, Alaska 99501-3469

M E M O R A N D U M

TO: Commissioners:
Robert M. Pickett, Chairman
Keith Kurber II
Antony G. Scott
Daniel A. Sullivan
Janis W. Wilson

DATE: February 18, 2022

FROM: Cameron Rollins, Utility Engineering Analyst

Subject: TL170-301 – ConocoPhillips Tariff revision

Statement of Case

ConocoPhillips has requested the Regulatory Commission of Alaska (Commission) approve revisions to its Tariff Sheet No. 10, received by the Commission on January 26, 2022, with an effective date of February 1, 2022.

The Commission must determine whether to approve or suspend the tariff filing.

Recommendation

Staff recommends the Commission approve Tariff Sheet No.10, which includes the adoption by reference of ConocoPhillips' current FERC Tariff No. 21.20.0, filed January 26, 2022, as shown on Attachment CNR-1. The effective date of the tariff sheet should be February 1, 2022.

Procedural History

On January 26, 2022, ConocoPhillips filed TL170-301 seeking approval of revisions to its Tariff Sheet No. 10.²

Public notice was waived for this filing.³

² *ConocoPhillips Transportation Alaska - Compliance Filing with P-99-012(26) et al. (TAPS Quality Bank)*, filed January 26, 2022 (TL170-301).

³ The Commission Chair determined that public notice is not required, as this annual filing is made in compliance with Commission and FERC Orders.

On February 9, 2022, Tesoro Alaska Company LLC (Tesoro) filed a petition to intervene.⁴ As of the time of this memorandum, no comments or protests have been filed with the Commission.

Discussion

Quality Bank Methodology

Previous FERC⁵ and Commission⁶ Orders require that adjustments to the reference prices for Light Distillate, Heavy Distillate, and Resid, be revised each year in accordance with the changes to the Nelson-Farrar Cost Index (Operating Indexes Refinery), by multiplying the adjustments or costs for the previous year by the ratio of (1) the average of the monthly indexes for the most recent 12 consecutive months to (2) the average of the monthly indexes for the previous 12 consecutive months.

Although the Commission does not have direct jurisdiction over the content of ConocoPhillips' FERC Tariff, ConocoPhillips has provided a table showing the updated TAPS Quality Bank index ratio, price adjustments, and regression analysis used to derive monthly fuel indexes from February 1, 2021, through January 31, 2022.⁷

Commission Compliance

ConocoPhillips made this tariff advice filing in compliance with 3 AAC 48.200 – 3 AAC 48.430, addressing the filing of a tariff. Commission staff is required to review a filing for consistency with the Commission regulations and orders. Regarding tariffs, the Commission is charged with ensuring that rates⁸ and services⁹ are just, reasonable, and non-discriminatory.¹⁰ Staff also reviews the proposed tariff language for conformance with accepted industry standards and practices.

ConocoPhillips states:

[ConocoPhillips] does not receive any revenue from the Quality Bank. The Quality Bank involves rules for monthly monetary adjustments among Trans

⁴ *Petition to Intervene of Tesoro Alaska Company LLC*, filed February 9, 2022 (Petition). After discussion with the CDM and ALJ, it was determined that the petition to intervene is not ripe for consideration unless there is some form of protest against the filing.

⁵ See 113 FERC ¶ 61,062 (2005) (Opinion No. 481); 114 FERC ¶ 61,323 (2006) (Opinion No. 481-A); 115 FERC ¶ 61,287 (2006) (Opinion No. 481-B)

⁶ See P-89-1(104) / P-89-2(98) / P-94-4(37) / P-96-6(24) / P-98-9(16) / P-99-12(19), *Order Adopting Federal Energy Regulatory Commission Opinion No. 481 Issued in FERC Docket No. OR89-2 et al. and Order Dismissing Complaint Issued in Docket No. OR05-9, and Affirming Electronic Ruling*, dated October 20, 2005; P-89-1(109) / P-89-2(103) / P-94-4(42) / P-96-6(29) / P-98-9(21) / P-99-12(24) (2006); P-89-1(111) / P-89-2(105) / P-94-4(44) / P-96-6(31) / P-98-9(23) / P-99-12(26), *Order Adopting Federal Energy Regulatory Commission Opinion No. 481-A, Adopting Federal Energy Regulatory Commission Order Denying Rehearing and Requiring Filing*, dated March 31, 2006.

⁷ *TL170-301*, Attachments A and B.

⁸ AS 42.06.370(a)

⁹ AS 42.06.310

¹⁰ AS 42.06.320

Alaska Pipeline System (TAPS) shippers for quality differentials arising from TAPS common stream operation and affects the rates of compensation shippers will receive. Accordingly, this filing will not have any impact on [ConocoPhillips'] annual revenues.”¹¹

State Tariff Sheet No. 10

ConocoPhillips' Tariff Sheet No. 10 incorporates by reference its FERC Tariff No. 21.20.0. FERC Tariff No. 21.20.0 relates to ConocoPhillips' current Quality Bank Methodology for the Trans Alaska Pipeline System (TAPS).

The only revision to ConocoPhillips' tariff proposed in this filing is to update the reference to its currently effective FERC Tariff. Staff's review of the ConocoPhillips' proposed revision to State Tariff Sheet No. 10 confirms that it meets the minimum requirements of 3 AAC 48.330; 3 AAC 48.340(a), (b), and (c); and 3 AAC 48.360(d) and (g), ¹² and therefore should be approved by the Commission.


Conclusion


Staff recommends the Commission approve Tariff Sheet No.10, which includes the adoption by reference of ConocoPhillips' current FERC Tariff No. 21.20.0, filed January 26, 2022, as shown in Attachment CNR-1. The effective date of the tariff sheet should be February 1, 2022.

Signature: 
Email: bob.pickett@alaska.gov

Signature: 
Keith Kurber II (Feb 22, 2022 07:37 AKST)
Email: keith.kurber@alaska.gov

Signature: 
Email: antony.scott@alaska.gov

Signature: 
Daniel Sullivan (Feb 22, 2022 11:20 AKST)
Email: daniel.sullivan@alaska.gov

Signature: 
Janis W. Wilson (Feb 22, 2022 12:35 AKST)
Email: janis.wilson@alaska.gov

¹¹ TLI70-301, p.2.

¹² 3 AAC 48.330 provides requirements on the format of each state tariff sheet. 3 AAC 48.340(a) requires each new tariff sheet to have the letters "RCA" in the upper left-hand corner of each tariff sheet. 3 AAC 48.340(b) requires each sheet of every tariff must bear a sheet number. 3 AAC 48.340(c) explains how each tariff sheet must be labeled as to which revision is the current revision. 3 AAC 48.360(d) provides directions to a pipeline carrier also subject to federal jurisdiction on the placement of sections of its currently effective federal tariff which are applicable to intrastate transportation of oil and petroleum products. 3 AAC 48.360(g) provide information to pipeline carriers on the use and location of symbols noting modification of rules and regulations found in tariffs.

RCA No. 301 16th Revision Sheet No. 10
Canceling
15th Revision Sheet No. 10

RECEIVED
MAY 28 2021
STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

CONOCOPHILLIPS TRANSPORTATION ALASKA, INC.

SECTION 5

F.E.R.C. TARIFF AND SUPPLEMENTS
RULES AND REGULATIONS

F.E.R.C. Tariff No. 20.2.0 The rules and regulations in F.E.R.C. Tariff No. 20.2.0 and successive issues thereof which are effective May 28, 2021, and as attached hereto, are applicable to the transportation of Petroleum having final destination within the State of Alaska and are incorporated by reference. This tariff includes the following items:

ITEM NO.

- 1 Definitions
- 2 Title
- 3 Quality and Intermixing of Petroleum
- 4 Nomination Policy and Proration Procedures
- 5 Scheduling of Receipts
- 6 Shipper Receipt and Delivery Facilities
- 7 Scheduling and Use of Terminal and Penalty Provisions
- 8 Minimum Delivery
- 9 Measurement
- 10 Delivery Adjustments
- 11 Applicability of Rates, Charges, Rules and Regulations
- 12 Vessel Requirements
- 13 Liability for Charges and Quality Adjustments
- 14 Liability for Loss
- 15 Time Limitation of Claims
- 16 Reserved
- 17 System Liability Fund
- 18 Rates Applicable from and to Intermediate Points
- 19 In Transit Shipments
- 20 Additives
- 21 Liability for Non-Compliance with Tariff
- 22 Connections to the Trans Alaska Pipeline System*
*(Connection policy under this tariff is governed by RCA Tariff Sheet 5, as directed by RCA Order P-97-5(10))
- 23 Base Inventory Requirement

F.E.R.C. Tariff No. 21.19.0, F.E.R.C. Tariff No. 21.19.0 and successive issues thereof is attached hereto and is applicable to the transportation of Petroleum having final destination within the State of Alaska and are incorporated by reference. This tariff includes the TAPS Quality Bank Methodology. **C**

Tariff Advice No. TL169-301 Effective: July 1, 2021

Issued by: ConocoPhillips Transportation Alaska, Inc.

By: /s/ Frank Feghali
Frank Feghali

Title: Vice President

RCA No. 301 17th Revision Sheet No. 10
Canceling
16th Revision Sheet No. 10



CONOCOPHILLIPS TRANSPORTATION ALASKA, INC.

SECTION 5

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Tariff Advice No. TL170-301 Effective: February 1, 2022

Issued by: ConocoPhillips Transportation Alaska, Inc.

By: /s/ Cameron Reitmeier
Cameron Reitmeier

Title: Vice President